



06 September 2019

 research@rakutenrade.my

Previous Day Highlights

The FBM KLCI closed flat or a mere 0.14 point lower to 1,599.75 yesterday. The index was mainly dragged by AXIATA and DIGI following news of the potential call-off of the proposed merger. Volume traded was low at 1.85bn unit of shares traded valued at RM1.58bn.

Asian stock markets closed on mixed notes yesterday as the Hong Kong's Hang Seng Index inched down 0.03%. Shanghai Composite Index rose 0.96% while Japan's Nikkei 225 increased 2.12%.

US markets closed on positive territory after US and Chinese officials said they will resume trade talks. The Dow soared 1.41% higher, S&P advanced 1.30% and Nasdaq advanced 1.75%.



Our Thoughts

Looks can be deceiving. US equities resume its uptrend with the DJI Index recovered by more than 1,000 points over the last 6 days while the US 10-year Treasury yield spiked up to 1.56% from a low of 1.44% only 3 days ago. Nonetheless, we brace ourselves for another volatile ride as we believe the situation may turn for the worse (again) since nothing has been resolved so far. Therefore, are we back to the norm? We do not think so hence continue to advocate investors to Buy on Weakness.



News For The Day

Cabinet agrees to remove PDP of Pan Borneo Sarawak

The government has decided to terminate the project delivery partner (PDP) agreement for the Sarawak portion of the Pan Borneo Highway project although nearly half of the first phase has been completed. – *The Edge Financial Daily*

Lotte Chemical's US shale gas project kick-starts operations

Its shale gas project in the US already commenced operations last month. The project is a 40:60 joint venture investment between LCT and South Korea's Lotte Chemical Corp (LCC) with a total investment capital of US\$3.1bn (RM13bn). – *The Sun Daily*

Power Root eyes China for rainforest herbs coffee

Power Root Bhd, the best-performing beverage stock in Malaysia, plans to sell more of its rainforest herbs-infused coffee in China, as it sees a rebound in earnings this year. The company will sell its products online focusing on suppliers, flagship and specialty stores in the world's second-largest economy. – *The Sun Daily*

Heng Huat set to become largest coconut fibre player in Malaysia

Heng Huat Resources Group Bhd is poised to become the single largest market leader in the Malaysian coconut fibre segment with the acquisition of a 97% stake in Sabut Kelapa Terengganu Sdn Bhd for RM200,000 cash. – *The Sun Daily*

AXA, Affin mull options for Malaysian insurance business worth US\$650m

French insurer AXA SA and Affin Bank Bhd are exploring options including a potential sale of their life and general insurance business in Malaysia that could fetch about US\$650m. The financial firms are seeking around US\$500m on AXA Affin General Insurance Bhd., while they are looking to raise as much as US\$150m from AXA Affin Life Insurance Bhd in a transaction. – *The Star*



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RAKUTEN TRADE SDN BHD (266701-P)

Level 7, Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia
Telephone: (603) 2110 7188 Website: www.rakutentrade.my

Kenny Yee Shen Pin
Head of Research